



01 September 2011

## **Property Tax Replacement Efforts Move Forward**

### **A message from State Representative Jim Cox**

When the new, two-year legislative session began in January, the legislature and governor had their hands full. Lawmakers were tasked with closing a multi-billion dollar state budget deficit before June 30. Working together, we accomplished that goal.

The legislature recessed until the fall, as it always does, allowing House and Senate members to return to their districts. This has provided those of us who support the complete elimination of school property taxes with the time we needed to further develop a comprehensive plan.

The plan will seek to replace school property tax revenues with money from statewide sources, including the Sales and Use Tax (SUT). By using the SUT to fund education, we can actually reduce the cost to Commonwealth residents. After all, every time a resident from New Jersey, Maryland, New York or any other state spends money in our Commonwealth, they will be contributing toward the education of our children. Every dollar we collect from an out-of-state resident is another dollar we do not have to collect from a Pennsylvanian.

We also hope to use other state revenue sources, such as the gambling revenues currently directed to property tax relief, to completely replace school property taxes.

While most of us would like to see this replacement happen tomorrow, a phase-out of the current system with a corresponding phase-in of the new system is much more feasible. For that reason, the legislation will include a multi-year transition period from the old system to the new one.

In addition, this legislation will include measures to enhance voter control over school district spending. If we replace one school district funding source with another, but fail to control spending, we have accomplished nothing.

Finally, it will be important to restrict the use of these new revenues. We want to ensure the dollars collected to replace school property taxes are used solely for that purpose.

Because we have taken the first part of this year to lay the groundwork for the introduction of this important legislation, we are well prepared to take the next step forward when the bill is introduced. At that point, we will need your help to encourage legislators across Pennsylvania to get on board with the solution that will finally allow us to truly own our homes.

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